

## **INTRODUCTION**

A friend of ours has been customer of a large full service brokerage firm for many years. We asked him for his thoughts on how he's covered and what he expects from a financial advisor. This is what he said,

"I want added value on a continual basis. This isn't just calling me up when an analyst has changed his buy recommendations...and it's not just faxing me a research report every once in a while. I want his assessment. I want to know that he has done his homework. I want to know that his insight of this report or investment idea has my goals and objectives in mind. Very few brokers do this. Most simply regurgitate what the analyst report says. Many just don't pay attention."

## **OUR VALUE PROPOSITION**

We have always wanted to know our clients attitudes, how they act, and how best to communicate with them. The question is, how do we communicate with them to learn their needs and deliver the best solutions to them? Of all the things that makes a top producer successful, knowing his customer is at the top of the list. However, for the top producer, it is more than just knowing your customer. It is about "knowing customers." It is also being able to discuss the ins and outs of the futures or options market with one client then quickly shift gears to address the needs of the widow who for the first time in her life has to deal with financial matters. These financial advisors have innate abilities that help them identify and differentiate their clients and their clients needs. Because they can easily recognize certain characteristics and understand the motivations behind their clients' financial behavior, top producers are better able to address the needs of their customers and offer appropriate products and services.

What if we could capture these qualitative characteristics, this intuitive feel into a quantitative measure? What if we could provide all brokers with a structured approach to getting their "arms around" the qualitative aspects of their clients, to better identify and differentiate them. What if we could provide management with a tool to better understand the needs of their customers without ever having to meet them? Best of all, what if we could take this quantitative system of "knowing customers" and providing personalized services and products based on their attitudes, their characteristics and financial behavior and deliver it in real time over the internet?

This is what AdvisorTeam can do for Financial Services Organizations. We have developed an innovative business model that is extremely simple. It has only recently become possible because of the advancement of technology and the increased use of the internet. It is based on one of the oldest and simplest business concepts around--that of knowing your customer. This is an increasingly more difficult task today in an environment of real time. Yet in the business of real time, more important than ever.

The Keirse/AdvisorTeam ("KAT") profiler will establish a financial profiling standard and create an interface between customers and their needs with suitable information, services and products. Our solution is scaleable, powerful and enables a firm to respond "for" its customers, not "to" them. In other words, anticipate and respond to their clients'

needs with the right products and services at the right time. We are committed to helping firms become more aware of the customer's needs regarding service offerings and to track the shift of the customer's preferences over time.

### **WHAT THE KAT PROFILER DOES**

How we deal with money and investments has a lot to do with how we're wired, where we come from, what we do and where we live.

If we know what makes a person tick, if we know his/her needs and how they act around money, then we will have a good idea which products and services to match them up with and how to frame the offering.

The KAT profiler classifies individuals based upon their financial attitudes and actions. By doing this, we help firms and their employees to better understand the actions and attitudes of their clients regarding financial matters and investments.

### **WHY WE'RE SPECIAL**

You're no doubt aware of the existing structure of the space and some of the companies in it-- like engage, epiphany, net perceptions, broadvision.

The space is very young and to large extent has been focusing on advertising and E-COMMERCE. Our focus is on E-SERVICE and that is how we differentiate ourselves from the other players.

Our service fits across the other modules of data gathering, recommendation engines and content and commerce platforms. What distinguishes us is the type of data we focus on-- attitudes, the proverbial hot buttons of the customer. Our goal is to know the attitudes of the customer.

### **METRICS WE TEST FOR**

What we want to do is profile the customer. To do that, we need to know their attitudes, motivations, personalities, and behavior. All of these things make up what we call the 'personality profile'. Ours is a structured approach to what the producer does intuitively.

In order to determine someone's financial profile, we need to measure key aspects of how they are likely to act and what their attitudes are

Here are some of the metrics we look for.

- Investment knowledge
- Market expectations
- Service expectations
- Hot buttons
- Baseline wealth

Cultural influences  
Lifestage (age or career path)  
Demographics

Here are some of the Concepts that we are testing for:

Over Confidence  
Biases of Judgment  
Optimism  
Hindsight  
Over-Reactions  
Errors of Preference  
Non-Linear Weighting of Probabilities  
Value Functions  
Decision Framing  
Long & Short Views  
Consequences of Decisions  
Regret  
Risk Taking and Risk Preferences

## **INVESTOR TYPES**

Using the metrics, we then categorize people into groups. We have come up with 10 general categories here but could come up with many more depending on how we sliced and diced the data.

### **General Financial Temperaments**

Family protector  
Day trader  
Aristocrat  
Heedful investor  
Intellectual  
Experimenter  
Power mogul  
Incognito  
Treasurer  
Nonconformist  
Others

### **Financial Personality Variants**

(Based upon the gradations of above)  
*Names and characteristics to be determined*

### **General Personality Temperaments**

Rational  
Idealist  
Artisan  
Guardian

### **Character Variants**

Field Marshall; Mastermind, Inventor; Architect  
Teacher, Counselor, Champion, Healer  
Promoter, Crafter, Performer, Composer  
Supervisor, Inspector, Provider Protector

## **THE AT PROCESS (PART 1)**

The first step is to gather the pertinent information on each client. This is done with questionnaires either on-line or on paper.

We then supplement the information with observations made by the financial advisor and add demographic information on the client.

All of the information is then processed. Our patented filtering algorithms generate the profiles for each client and then it places them into groups. People within a group may appear to be very different but will share commonalities with how they view and make financial decisions.

## **THE AT PROCESS (PART 2)**

The second part of the process requires taking all of the products, services and content you would like to sell and determine a) which products, services and content the groups use or should use and b) crafting the most effective offering.

So we take a group of people, categorize them using our algorithms. We look at the tendencies to buy certain products and then package groups of products, services and content for them. This also includes the offering.

### **Examples of uses**

#### **Family protector - George Washington**

We know through questionnaires that he falls into the family protector category. When he logs in, he would see a banner ad describing the value and safety that the whole family can count on with asset allocation



#### **Intellectual - Bill Gates**

However, bill gates logs into an online site. We know that bill is an intellectual and is interested in the latest investment structures because they challenge his intellect. Therefor, we craft the asset allocation offering to appeal to him.



**Power Mogul - Donald Trump**

We know that the most important thing to don is the power that money and investments can offer him. The family values and intellectual approach won't work for don so we craft the asset allocation offering for him.



The Power  
of Asset  
Allocation

**Aristocrat - Winston Churchill**

Winston Churchill logs on to an online site. We know that Winston is most interested social prestige, name recognition and a firm's experience. So we use this to craft the offering.



150 years  
of Asset Allocation  
experience

**Day trader - Elvis Presley**

Finally we have our day trader. What interests him the most is life in the fast lane. Risk and excitement are the name of the game. We therefore can craft the offering for him.



Aggressive Growth  
Asset Allocation

Now please remember this important point. Personalization is about more than just banner ads. It's about personalizing the entire service delivery at all points of contact. The financial advisor, the internet, and direct marketing from the firm. It's about keeping the client's goals, objectives, and interests in mind with every action you take and not just faxing the latest research report.

**KEY BENEFITS****FOR THE FINANCIAL ADVISOR**

- LIFE EASIER
- STRUCTURED APPROACH TO DIFFERENTIATING BETWEEN PEOPLE THAT TIES INTO
- MATCHING TOOL FOR MORE SUITABLE SELECTION OF PRODUCTS, SERVICE AND CONTENT THAT TIES INTO
- GUIDANCE ON HOW TO CRAFT THE OFFERING.

- **LEADS TO GREATER ASSET ACCUMULATION**

**FOR MANAGEMENT**

- **BETTER UNDERSTAND BRANCH CLIENTS**
- **EMPOWERMENT TO IDENTIFY AND DELIVER APPROPRIATE PRODUCTS AND SERVICES DIRECTLY TO CUSTOMER**
- **LEADS TO GREATER ASSET ACCUMULATION**

**FOR THE FINANCIAL SERVICES ORGANIZATION**

- **BETTER UTILIZE THE ON-LINE POINT OF CONTACT.**
- **MOVE FROM IMPERSONAL DELIVERY TO KNOWING THE ON-LINE CUSTOMER**
- **INCREASE USAGE OF ON-LINE SERVICES**

**MAJOR BENEFIT**

The major benefit our profiler results in for your clients is that it enables a firm and its financial advisors and management to take a unified and coordinated view of a client's financial situation and investments within the context of their life goals and circumstances. It's sort of like being a general practitioner. Today, more doctors are looking, considering the whole person. We're taking the same approach. Just consider the reaction from clients who live life to the fullest because you're able to help them do so.

You will increase customer loyalty and the value of their assets increases as you attract and retain more. You will leverage more referrals as happy customers tell their friends. Needless to say this makes for happier financial advisors and managers and job satisfaction within the firm goes up.

And over time firms will have a better understanding of how customers' actions and attitudes will change. As their circumstances change and they are at different stages in their life, they will be able to proactively help them with services and products and advice they need using the technology they prefer in real time.

Financial firms should be looking to all aspects of their client's lives when making financial recommendations. Once you have a way of quantifying human qualities, you'll see some very interesting relationships between financial profiles and behavior.

Example Use: A certain individual purchases a stock after reading a certain research report. Shortly after, a new client signs-up with the brokerage firm with similar personality traits. The new person may also wish to read report and buy the stock. People will think "this firm is on track". "They think like I do."

## **STRATEGIC PARTNERSHIP POSSIBILITIES**

The primary advantage we see for strategic collaboration is the extension of your focus on aligning products and services with needs of existing clients. As the financial services industry extends its reach into satisfying the life service needs of its customers, early adopter advantage with the right tools becomes a powerful asset.

Beyond the development of proprietary investment products and service strategies, there is enormous opportunity to establish a "branded" industry standard to match content, services, products and advisors to clients -- to establish the morningstar of suitability.

### **ADVANTAGES**

**Investor suitability solution** -- It can be used as a tool to deliver consistent advice across the firm. Tool for quality control.

#### **Improved targeting of services and products**

KAT profiling tool can provide a real-time mechanism for what most satisfies and dissatisfies customers. Service plans can be continually modified for certain groups. Brokers can use the psychographics delivered by the KAT profiler to better advise customers on specific recommendations.

**Barometer of investor sentiment** -- on a macro level. You could step back and view changes in customer sentiment in a particular profile. Certain groups become more bullish on Asia or Europe. Reallocate your research and marketing assets accordingly.

**Matching clients with Financial Advisors** -- a client comes in, gets profiled and you know that certain financial advisors within a branch are more effective with those certain profiles than others. So the introduction is then made.

**Daily targeted fulfillment list for Financial Advisor.** -- for example a firm could generate lists of people that would most likely invest in hedge funds. You would be using much more of a surgical approach as opposed to the shot-gun approach.

**New product and service development** -- you could craft new products targeted directly for certain profiles.

**Stream product offerings online** -- through the use of banner ads.

**Personalizing On-Line Content** -- According to Personality

In summary, we believe we offer full service brokers, insurance companies, banks and other large financial services organizations an interesting opportunity at this stage of our development. The potential to establish a competitive advantage in the fragmented and evermore competitive financial services playing field is high by becoming an early adopter of KAT profiling, especially as a strategic partner.

The applications go far beyond financial services. It can apply to most financial decisions. Imagine the possibilities in the healthcare field, career counseling, dating and mating. The key underlying value to our firm is in the proprietary database we have started to build. Our goal is to establish KAT profiling as the standard across several horizontals and to be the gatekeeper for a robust and valuable dynamic database.